

L1120 and L1040 FY2012 Field Office Performance Review

December 21, 2012

Overview: In FY2012, the CA BLM Budget Strategy Team (BST) requested feedback from State Office program leads on their respective program Budget Allocation Models (BAMs) to determine if revisions were warranted. Based on a review of the BAMs for L1010, L1040 and L1120, the BST authorized revision for these three, and requested proposed drafts for their review. These draft BAMs were presented to the BST on December 5, 2012, with comments due by January 11, 2013. As part of this presentation, performance data were presented on the L1040 program with a strong suggestion from the program lead that a performance allocation criterion be included in the BAMs. The BST agreed to review performance data and a proposed criterion. This paper documents findings of the FY2012 expenditure and workload reports to support development of a performance allocation criterion for the L1120 and L1040 programs. The analysis identifies cost coding issues that negatively impact program performance accounting in most offices.

Bottom Line: This fiscal information is available to all levels of the Bureau and to the Department, and failure to meet WO performance criteria can and does result in reductions to base program funding. Currently, reductions are apportioned through the BAM and are shared by all field offices. Fiscal and workload reporting data demonstrate however, that not all offices are potentially responsible for performance-based reductions. Offices that are demonstrating performance (both on-the-ground actions and responsible fiscal reporting) are being negatively impacted by non-performing offices. All offices are likely to defend their performance and argue L1120 and L1040 funds are being invested in work consistent with policy and program direction. Although possibly true, this argument rings hollow when viewing performance through the ABC and PMDS financial systems -- one of the Bureau's primary yardsticks for measuring performance and tracking fiscal accountability.

Solution: Institute a budget and workload tracking system at the field office level that provides a structure to ensure funds spent are directed towards assigned work. For non-demand driven programs (like L1120 and L1040), plan for and implement a program of work that is consistent with the Director's priorities (i.e., national budget direction). Make every attempt to align statewide total workload targets with those that are assigned to the state in the budget directives. If necessary, negotiate with the WO for a portion of the funding to be directed towards California BLM's priorities as defined in the Strategic Framework -- only if the Framework priorities cannot be met using the national priority workloads. Annually review field office performance data and include this information in a performance-based BAM criterion.

Methods: Expenditure and performance data were queried from three BLM financial systems: Activity Based Cost Management System (ABC), Management Information System (MIS) and Financial Business Management System (FBMS). The ABC system, under the drop down menu of "Cross Analysis" provided direct expenditure data by sub organization level -- that is, it showed how an office actually coded charges against Program Elements (PE). The MIS system provided workload accomplishment data as entered by each field office, showing both the negotiated target level (expected work) and the actual work accomplished. The FBMS system provided an independent verification of total funds expended by each office. That is, total expenditures summed for all PEs in the ABC system matched the total sum of expenditures in FBMS.

Workload accomplishments by field office were pulled from the MIS data to crosswalk with PE expenditures as identified in the ABC system to establish the baseline program for each office. In theory, all completed workloads in MIS would have corresponding charges against the supporting

funding activity. Charges that would not have any outputs identified should be aligned with overhead costs (P, X, 090 and 088 codes). Washington Office priority PEs were then identified to determine whether or not an office was: 1) doing work consistent with WO priority PEs and reporting outputs; and/or 2) spending funds in priority PEs and not reporting outputs (i.e., no measurable work was done). This was done to determine if, at the field office level, an office was meeting the expected performance thresholds (i.e., greater than 65% of funds were expended on WO priority PEs and overhead costs were 15% or less of total expenditures). To comprehensively describe an office's workload and expenditure performance, expenditures and workloads were summed for all other PEs that requires workload reporting in MIS.

Three worksheets in the accompanying excel spreadsheets provide FY2012 L1040 and L1120 performance summary by field office. The worksheet entitled "FO Summary" shows the amount of money spent in five categories: WO priority PE with outputs, WO priority PEs without outputs, Other PEs with outputs, Other PEs without outputs, and P, X 090 and 088 charges. It shows the percentage of those charges by category to illustrate whether or not an individual field office meets the WO performance threshold. The worksheet entitled "2012 L1120 (or L1040) Expendoutput" is a comprehensive synopsis of all direct charges made by an office aligned with workload outputs reported by that office. Red cells provide a flag for those PEs where workload accomplishments were reported in MIS, yet the ABC system provides evidence of no funds expended (i.e., did the work for no cost). Green cells are the Washington Office priority PEs assigned in the PTA/AWP. The third worksheet entitled "District Summary" provides a comparison between field offices and between districts for three categories of expenditures: Expenditures resulting in reportable work; expenditures resulting in no reportable work where work could be reported; and overhead expenditures.

Key Findings: Activity Based Cost Management is a performance-driven accounting system. Funds are allocated to do "work." Work is defined through a system of output-based activity indicators (PEs). All money spent should result in getting work done (unless charges are attributed to "overhead"). The Washington Office has historically looked at performance through two lenses: 1) is funding spent on assigned work? And 2) is assigned work being accomplished? Both the L1040 and L1120 programs have set expenditure performance thresholds for aiding in defining fiscal performance – 65% or greater of funds spent on priority WO PEs, and 15% or less spent on overhead costs (P, X, 090 and 088 codes). Performance thresholds have been set for work outputs – are offices achieving their assigned workload targets? In an ideal situation, less than 20% of allocated funds (100% minus 65%+15%) would be spent on performing other work, and all expenditures except for overhead charges would result in a reportable work output in the PMDS system.

This analysis focuses on direct field office expenditures of funds allocated to the field to do work. It does not factor in state or center controllable costs or Bureau-wide costs, thus it is a direct reflection on how a field office codes expenditures and accounts for work reported. When WO performance criteria are applied at this level, those offices meeting these thresholds are easily identified. It is very important to note that two offices (Bishop and Redding) closely track program work and expenditures for both programs and meet or exceed the WO fiscal performance and workload performance criteria. Their ability to consistent code expenditures towards established targets suggests statewide performance improvement is possible.

The following lists illustrate a number of the key findings of this analysis. To review individual office performance, filter results in the attached worksheets.

1120 Performance Summary

- Field Office-wide, 68% of expenditures were on WO priority PEs;
 - Of that, 55% was spent on WO priority PEs that had reportable workload outputs.
 - And 13% was spent on WO priority PEs that had no reportable workload outputs.
- Field Office-wide, 21% of funds were spent on “Other” PEs;
 - Of that, 3% produced reportable workload outputs.
 - And 19% did not produce reportable workload outputs.
- Field Office-wide 57% of funds resulted in reported workload outputs.
- Field Office-wide 32% of funds resulted in no reported workload outputs where workload should be claimed (see Table 1).
- Field Office-wide 11% of funds were spent on overhead.
- Four offices meet the “65% or greater” spent on WO priority PEs criteria:
 - Arcata, Bishop, Redding and Surprise.
- Seven offices meet the “15% or less” spent on overhead criteria:
 - Alturas, Arcata, Bishop, Hollister, Redding, Surprise, and Ukiah.
- Two offices spent 100% of their funds on WO priority workloads and met all targets:
 - Bishop and Redding.
- There were nine (9) occurrences where workload targets were met or exceeded (ranging from 100% to 317%) yet no funds were spent.
 - Alturas (1), Bakersfield (1), Barstow (1), Palm Springs (1), Ridgecrest (2), and Ukiah (3).
- There was one (1) occurrence where no target was assigned, yet accomplishments were reported, and no funds were spent.
 - Arcata (1)
- Six offices spent 89% or more (range 89% to 100%) of their funding on overhead and/or non-priority PEs that had no target accomplishments.
 - Bakersfield (89% or \$18,727)
 - Barstow (100% or \$5,938)
 - Ridgecrest (91% or \$14,099)
 - Eagle Lake (99% or \$37,663)
 - El Centro (100% or \$589)
 - Needles (100% or \$1,192)
- There were 36 occurrences where no target was assigned and no target was accomplished, yet \$157,051 dollars were spent (32% of the total field office allocation).
 - Bakersfield (4) \$12,576 (or 60% of office allocation)
 - Hollister (5) \$11,642 (or 49% of office allocation)
 - Mother Lode (4) \$16,823 (or 18% of office allocation)
 - Ukiah (4) \$44,533 (or 99% of office allocation)
 - Alturas (1) \$13,528 (or 44% of office allocation)
 - Arcata (3) \$13,432 (or 21% of office allocation)
 - Eagle Lake (6) \$33,903 (or 90% of office allocation)
 - Surprise (1) \$57 (or less than 1% of office allocation)
 - Barstow (1) \$3,135 (or 53% of office allocation)
 - Palm Springs (1) \$3,383 (or 68% of office allocation)
 - Ridgecrest (6) \$4,041 (or 26% of office allocation)

Table 1: FY2012 L1120 District Summary and Office Ranking

Cost Center	Cost Center Name	Func Area1	FBMS Total	Outputs %	Outputs \$	No outputs %	No outputs \$	Overhead %	Overhead \$
LLCAN06000	REDDING FIELD OFFICE	L11200000	\$69,000	100%	\$69,000	0%	\$0	0%	\$0
LLCAC07000	BISHOP FIELD OFFICE	L11200000	\$31,360	100%	\$31,360	0%	\$0	0%	\$0
LLCAN07000	SURPRISE FIELD OFFICE	L11200000	\$44,020	100%	\$43,963	0%	\$57	0%	\$0
LLCAN03000	ARCATA FIELD OFFICE	L11200000	\$65,000	79%	\$51,568	21%	\$13,432	0%	\$0
LLCAC08000	MOTHER LODE Field Office	L11200000	\$96,000	57%	\$54,856	18%	\$16,823	25%	\$24,322
LLCAN02000	ALTURAS FIELD OFFICE	L11200000	\$30,996	56%	\$17,469	44%	\$13,528	0%	\$0
LLCAC09000	HOLLISTER FIELD OFFICE	L11200000	\$24,000	51%	\$12,279	49%	\$11,642	0%	\$79
LLCAC06000	BAKERSFIELD FIELD OFFICE	L11200000	\$20,998	8%	\$1,663	60%	\$12,576	32%	\$6,759
LLCAD08000	BARSTOW FIELD OFFICE	L11200000	\$5,938	0%	\$0	53%	\$3,135	47%	\$2,803
LLCAD06000	PALM SPRINGS/S COAST FLD OFC	L11200000	\$4,993	0%	\$0	68%	\$3,383	32%	\$1,609
LLCAD05000	RIDGECREST FIELD OFFICE	L11200000	\$15,396	0%	\$0	26%	\$4,041	74%	\$11,355
LLCAC05000	UKIAH FIELD OFFICE	L11200000	\$44,789	0%	\$0	99%	\$44,533	1%	\$256
LLCAN05000	EAGLE LAKE FIELD OFFICE	L11200000	\$37,774	0%	\$0	90%	\$33,903	10%	\$3,871
LLCAD07000	EL CENTRO FIELD OFFICE	L11200000	\$589	0%	\$0	0%	\$0	100%	\$589
LLCAD09000	NEEDLES FIELD OFFICE	L11200000	\$1,192	0%	\$0	0%	\$0	100%	\$1,192
Cost Center	Cost Center Name	Func Area1	FBMS Total	Outputs %	Outputs \$	No outputs %	No outputs \$	Overhead %	Overhead \$
LLCAN06000	REDDING FIELD OFFICE	L11200000	\$69,000	100%	\$69,000	0%	\$0	0%	\$0
LLCAN07000	SURPRISE FIELD OFFICE	L11200000	\$44,020	100%	\$43,963	0%	\$57	0%	\$0
LLCAN03000	ARCATA FIELD OFFICE	L11200000	\$65,000	79%	\$51,568	21%	\$13,432	0%	\$0
LLCAN02000	ALTURAS FIELD OFFICE	L11200000	\$30,996	56%	\$17,469	44%	\$13,528	0%	\$0
LLCAN05000	EAGLE LAKE FIELD OFFICE	L11200000	\$37,774	0%	\$0	90%	\$33,903	10%	\$3,871
	NORCAL TOTAL		\$246,790	74%	\$182,000	25%	\$60,919	2%	\$3,871
Cost Center	Cost Center Name	Func Area1	FBMS Total	Outputs %	Outputs \$	No outputs %	No outputs \$	Overhead %	Overhead \$
LLCAC07000	BISHOP FIELD OFFICE	L11200000	\$31,360	100%	\$31,360	0%	\$0	0%	\$0
LLCAC08000	MOTHER LODE Field Office	L11200000	\$96,000	57%	\$54,856	18%	\$16,823	25%	\$24,322
LLCAC09000	HOLLISTER FIELD OFFICE	L11200000	\$24,000	51%	\$12,279	49%	\$11,642	0%	\$79
LLCAC06000	BAKERSFIELD FIELD OFFICE	L11200000	\$20,998	8%	\$1,663	60%	\$12,576	32%	\$6,759
LLCAC05000	UKIAH FIELD OFFICE	L11200000	\$44,789	0%	\$0	99%	\$44,533	1%	\$256
	CENCAL TOTAL		\$217,146	46%	\$100,158	39%	\$85,573	14%	\$31,415
Cost Center	Cost Center Name	Func Area1	FBMS Total	Outputs %	Outputs \$	No outputs %	No outputs \$	Overhead %	Overhead \$
LLCAD08000	BARSTOW FIELD OFFICE	L11200000	\$5,938	0%	\$0	53%	\$3,135	47%	\$2,803
LLCAD06000	PALM SPRINGS/S COAST FLD OFC	L11200000	\$4,993	0%	\$0	68%	\$3,383	32%	\$1,609
LLCAD05000	RIDGECREST FIELD OFFICE	L11200000	\$15,396	0%	\$0	26%	\$4,041	74%	\$11,355
LLCAD07000	EL CENTRO FIELD OFFICE	L11200000	\$589	0%	\$0	0%	\$0	100%	\$589
LLCAD09000	NEEDLES FIELD OFFICE	L11200000	\$1,192	0%	\$0	0%	\$0	100%	\$1,192
	CDD TOTAL		\$28,109	0%	\$0	38%	\$10,559	62%	\$17,550
	Field Office Summary		\$492,045	57%	\$282,158	32%	\$157,051	11%	\$52,836

FBMS Total	= total expenditures/obligations in FBMS
Outputs %	= percentage of FO funds spent on workloads that produced reportable outputs in PMDS
Outputs \$	= amount of funding in thousands spent on those outputs
No outputs %	= percentage of FO funds spent on workloads that had not outputs identified in PMDS
No outputs \$	= amount of funding in thousands spent on those outputs
Overhead %	= percentage of FO funding spent on P, X, 090 and 088 codes
Overhead \$	= amount of funding in thousands spend in those codes

L1040 Performance Summary

- Field Office-wide, 72% of expenditures were on WO priority PEs;
 - Of that, 62% was spent on WO priority PEs that had reportable workload outputs.
 - And 10% was spent on WO priority PEs that had no reportable workload outputs.
- Field Office-wide, 14% of funds were spent on “Other” PEs;
 - Of that, 1% produced reportable workload outputs.
 - And 13% did not produce reportable workload outputs.
- Field Office-wide 63% of funds resulted in reported workload outputs.
- Field Office-wide 23% of funds resulted in no reported workload outputs where workload should be claimed (see Table 2).
- Field Office-wide 14% of funds were spent on overhead.
- Seven offices meet the “65% or greater” spent on WO priority PEs criteria:
 - Ukiah, Bishop, Mother Lode, Ridgecrest, Alturas, Redding and Surprise.
- Ten offices meet the “15% or less” spent on overhead criteria:
 - Ukiah, Bakersfield, Bishop, Mother Lode, Hollister, Ridgecrest, Alturas, Arcata, Redding and Surprise.
- Two offices spent 100% of their funds on WO priority workloads and met targets:
 - Bishop and Redding.
- There were eleven (11) occurrences where workload targets were claimed (ranging from 80% to 100%) yet no funds were spent:
 - Bakersfield (2), Mother Lode (4), Palm Springs (3), Barstow (1) and Needles (1).
- There was one (1) occurrence where a negative balance was carried, and assigned targets were met (i.e., target was met and negative funds were charged):
 - Needles (1)
- Four offices spent 92% or more (range 92% to 100%) of their funding on overhead and/or non-priority PEs that had no target accomplishments.
 - Palm Springs (97% or \$60,743)
 - El Centro (93% or \$35,417)
 - Barstow (92% or \$11,855)
 - Needles (101% or \$23,705 note: this office had a negative charge for WO priority PEs, therefore skewing all other charge percentages)
- There were 46 occurrences where no target was assigned and no target was accomplished, yet \$200,656 dollars were spent (23% of the field office allocation).
 - Alturas (3) \$6,807 (or 24% of office allocation)
 - Arcata (5) \$62,905 (or 54% of office allocation)
 - Bakersfield (3) \$7,345 (or 81% of office allocation)
 - Barstow (3) \$7,386 (or 57% of office allocation)
 - Eagle Lake (8) \$23,429 (or 31% of office allocation)
 - Mother Lode (4) \$11,329 (or 7% of office allocation)
 - Needles (5) \$8,462 (or 36% of office allocation)
 - Palm Springs (6) \$50,937 (or 81% of office allocation)
 - Ridgecrest (3) \$5,453 (or 18% of office allocation)
 - Surprise (1) \$966 (or 6% of office allocation)
 - Ukiah (5) \$9,837 (or 13% of office allocation)

Table 2: FY2012 L1040 District Summary and Office Ranking

Cost Center	Cost Center Name	Func Area1	FBMS Total 6/	Outputs %	Outputs \$	No outputs %	No outputs \$	Overhead %	Overhead \$
LLCAN06000	REDDING FIELD OFFICE	L10400000	\$96,000	100%	\$96,000	0%	\$0	0%	\$0
LLCAC07000	BISHOP FIELD OFFICE	L10400000	\$76,469	100%	\$76,469	0%	\$0	0%	\$0
LLCAC09000	HOLLISTER FIELD OFFICE	L10400000	\$9,000	100%	\$8,959	0%	\$0	0%	\$41
LLCAN07000	SURPRISE FIELD OFFICE	L10400000	\$15,968	94%	\$15,003	6%	\$966	0%	\$0
LLCAD05000	RIDGECREST FIELD OFFICE	L10400000	\$30,910	82%	\$25,206	18%	\$5,453	1%	\$252
LLCAC08000	MOTHER LODE Field Office	L10400000	\$164,000	81%	\$132,994	7%	\$11,329	12%	\$19,677
LLCAC05000	UKIAH FIELD OFFICE	L10400000	\$76,894	78%	\$60,211	13%	\$9,837	9%	\$6,846
LLCAN02000	ALTURAS FIELD OFFICE	L10400000	\$28,916	76%	\$21,850	24%	\$6,807	1%	\$259
LLCAN05000	EAGLE LAKE FIELD OFFICE	L10400000	\$94,229	50%	\$46,822	31%	\$29,329	19%	\$18,078
LLCAN03000	ARCATA FIELD OFFICE	L10400000	\$116,000	45%	\$52,080	54%	\$62,905	1%	\$1,014
LLCAC06000	BAKERSFIELD FIELD OFFICE	L10400000	\$8,997	16%	\$1,460	81%	\$7,245	3%	\$292
LLCAD07000	EL CENTRO FIELD OFFICE	L10400000	\$38,072	7%	\$2,655	0%	\$0	93%	\$35,417
LLCAD06000	PALM SPRINGS/S COAST FLD OFC	L10400000	\$62,892	0%	\$0	81%	\$50,937	19%	\$11,955
LLCAD08000	BARSTOW FIELD OFFICE	L10400000	\$12,931	0%	\$0	57%	\$7,386	43%	\$5,546
LLCAD09000	NEEDLES FIELD OFFICE	L10400000	\$23,410	-8%	-\$1,942	36%	\$8,462	72%	\$16,889
LLCAN06000	REDDING FIELD OFFICE	L10400000	\$96,000	100%	\$96,000	0%	\$0	0%	\$0
LLCAN07000	SURPRISE FIELD OFFICE	L10400000	\$15,968	94%	\$15,003	6%	\$966	0%	\$0
LLCAN02000	ALTURAS FIELD OFFICE	L10400000	\$28,916	76%	\$21,850	24%	\$6,807	1%	\$259
LLCAN05000	EAGLE LAKE FIELD OFFICE	L10400000	\$94,229	50%	\$46,822	31%	\$29,329	19%	\$18,078
LLCAN03000	ARCATA FIELD OFFICE	L10400000	\$116,000	45%	\$52,080	54%	\$62,905	1%	\$1,014
	NORCAL TOTAL	L10400000	\$351,113	66%	\$231,755	28%	\$100,007	6%	\$19,351
LLCAC07000	BISHOP FIELD OFFICE	L10400000	\$76,469	100%	\$76,469	0%	\$0	0%	\$0
LLCAC09000	HOLLISTER FIELD OFFICE	L10400000	\$9,000	100%	\$8,959	0%	\$0	0%	\$41
LLCAC08000	MOTHER LODE Field Office	L10400000	\$164,000	81%	\$132,994	7%	\$11,329	12%	\$19,677
LLCAC05000	UKIAH FIELD OFFICE	L10400000	\$76,894	78%	\$60,211	13%	\$9,837	9%	\$6,846
LLCAC06000	BAKERSFIELD FIELD OFFICE	L10400000	\$8,997	16%	\$1,460	81%	\$7,245	3%	\$292
	CENCAL TOTAL	L10400000	\$335,361	84%	\$280,093	8%	\$28,411	8%	\$26,856
LLCAD05000	RIDGECREST FIELD OFFICE	L10400000	\$30,910	82%	\$25,206	18%	\$5,453	1%	\$252
LLCAD07000	EL CENTRO FIELD OFFICE	L10400000	\$38,072	7%	\$2,655	0%	\$0	93%	\$35,417
LLCAD06000	PALM SPRINGS/S COAST FLD OFC	L10400000	\$62,892	0%	\$0	81%	\$50,937	19%	\$11,955
LLCAD08000	BARSTOW FIELD OFFICE	L10400000	\$12,931	0%	\$0	57%	\$7,386	43%	\$5,546
LLCAD09000	NEEDLES FIELD OFFICE	L10400000	\$23,410	-8%	-\$1,942	36%	\$8,462	72%	\$16,889
	CDD TOTAL	L10400000	\$168,215	15%	\$25,918	43%	\$72,238	42%	\$70,058
	Field Office Summary		\$854,688	63%	\$537,766	23%	\$200,656	14%	\$116,265

FBMS Total	= total expenditures/obligations in FBMS
Outputs %	= percentage of FO funds spent on workloads that produced reportable outputs in PMDS
Outputs \$	= amount of funding in thousands spent on those outputs
No outputs %	= percentage of FO funds spent on workloads that had not outputs identified in PMDS
No outputs \$	= amount of funding in thousands spent on those outputs
Overhead %	= percentage of FO funding spent on P, X, 090 and 088 codes
Overhead \$	= amount of funding in thousands spend in those codes